Ministry of
Agriculture

2011/12
Annual Service Plan Report

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Message from the Minister and Accountability Statement

The Ministry of Agriculture's *2011/12-2013/14 Service Plan* outlined how we would support the agriculture and food sector to grow sustainably and contribute positively to the economic diversity and well-being of the Province of B.C. This annual report demonstrates that we have met that commitment and outlines our many accomplishments during the fiscal year ending March 31, 2012.

Including agrifoods as a key sector for focus in the *BC Jobs Plan* offers exciting opportunities to inject new dollars into the B.C. economy and creates great potential for growth. The launch of the strategy in March 2012 guides the further development of B.C.'s agrifoods sector with the goal to increase industry revenues from the current $10.5 billion a year to $14 billion annually by 2017.

As Canada's gateway to the Pacific, we are leveraging our access to Asia. In recent years we've successfully expanded our export markets and will continue to focus on emerging economies including India, China and South Korea. Agriculture, fish and seafood exports to China totalled $148 million in 2011, setting a new record for agrifoods exports.

Last year, B.C. adopted the toughest penalties for animal cruelty in Canada based on recommendations from the Sled Dog Task Force. These will be fully implemented by October 2012.

We continue to work with regional governments to increase the efficient use of agricultural land. As part of a comprehensive reform package that also included $1.6 million in additional provincial funding, the Ministry enacted legislative changes to strengthen the enforcement capacity of the Agricultural Land Commission (ALC) and allow the ALC to transition to a more self supporting operating model by 2013. These changes will enhance the commission's ability to preserve B.C.'s agriculture land base and encourage farming.

We are taking steps to strengthen our domestic agrifoods market because only 50% of our current food needs are supplied by B.C. producers. FoodsBC is a new, interactive initiative to encourage retailers, chefs and consumers to buy more local agrifoods products. Facebook and Twitter accounts were unveiled as part of the Agrifoods Strategy, with mobile applications, a market-exchange tool and dedicated website on the way. For the first time, B.C. will now have a single, centralized on-line source for up-to-date information on fresh, local food products along with select sector information, recipes and health information.

Fresh B.C. products including in-season produce, eggs, chickens and beef are being served in schools and hospitals across the province and health authorities source their food locally whenever possible. In addition to a $3-million expansion announced in May, 2011, the province

is providing $1 million to further support school children's access to fresh B.C. grown fruit and vegetable snacks in the classroom.

As part of the *BC Jobs Plan*, a special report to identify opportunities for innovation in B.C.'s greenhouse sector was prepared with the input of industry. It identified their energy costs as a significant cost pressure for the industry and the carbon tax as a significant challenge facing the growth of the sector. As a result, the greenhouse sector will receive $7.6 million from the Province in temporary carbon tax relief, allowing producers to focus on maintaining their competitive edge and building B.C.'s half-billion-dollar-a-year greenhouse industry.

Through the Growing Forward agreement with the federal government, we brought $550 million of support to B.C. agriculture, the majority of which goes to B.C. producers to help mitigate unforeseen crop or livestock losses. Together we're also initiating projects that support renewable energy, agri-innovation, food safety and traceability. Negotiations on a new five-year Growing Forward agreement are also underway.

As the Minister of Agriculture, I have seen first-hand how B.C. farming families use their incredible strength, resilience and adaptability when faced with challenging situations. The *B.C. Agrifoods: A Strategy for Growth* is a living document that allows us to adapt to changing conditions and emerging trends that will help support B.C. agrifoods producers.

The *Ministry of Agriculture 2011 2012 Annual Service Plan Report* compares the actual results to the expected results identified in the Ministry's *Revised 2011 12 – 2013 2014 Service Plan.* I am accountable for those results as reported.

Honourable Don McRae
Minister of Agriculture

June 30, 2012

We want to hear from you. Please share your ideas at BCJobsPlan.ca

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Highlights of the Year

Release of the Agrifoods Strategy

In March 2012, the Ministry released the *BC Jobs Plan Agrifoods Strategy*, a five year strategic plan to promote job growth and investment in the agrifoods sector. The plan sets out actions in three key areas of priority: to focus on high quality and high value products, to expand domestic and international markets, and to enhance industry competitiveness. Through the actions identified in the strategy, the Ministry anticipates revenues from the agrifoods sector will grow to $14 billion a year by 2017.

Record sales and opportunities for B.C. agrifoods in China

B.C. exported record amounts of agrifoods products to China in 2011, due in large part to joint marketing efforts by the Province and industry as well as infrastructure investments in B.C. that attract trade. During the BC Jobs and Trade Mission to China and India, Premier Clark signed two Memoranda of Understanding (MOU) between British Columbia and Guandong province in China that endorsed enhanced trade of seafood and agricultural products. The five year MOU's commit the two jurisdictions to mutual identification of trade and investment opportunities and barriers, and the exchange of technology and regulatory information. In July of 2011, China Southern Airlines began offering four weekly direct cargo flights from Vancouver International Airport to Shanghai. These flights provide a vital service for high value and time sensitive agrifoods products that are in great demand in Asian markets.

A stronger Agricultural Land Commission

In November 2011, the Ministry enacted legislative changes to strengthen the enforcement capacity of the Agricultural Land Commission (ALC) and allow the ALC to transition to a more self supporting operating model by 2013. The legislation was part of a comprehensive reform package that also included $1.6 million in additional provincial funding, increased sharing of provincial resources, and a new minister's bylaw standard that restricts the building of large residential homes in the Agriculture Land Reserve. These changes will enhance the Commission's ability to preserve B.C.'s agriculture land base and encourage farming.

Promoting domestic markets for agriculture

The Ministry encouraged British Columbians to celebrate farming and foods in B.C. by funding famers markets, fairs and 4-H programs as well as through events such as B.C. Beef Day, Craft Brewers Month, and the Day of the Honeybee. As part of its strategy to strengthen domestic

markets, the Province also began work last year on a new interactive initiative to encourage retailers, chefs and consumers to buy more local agrifoods products. A FoodsBC Facebook page was launched in early 2012, serving as the hub for other types of social media. For the first time, B.C. will now have a centralized source for up-to-date information on fresh, locally grown food products.

Canada's toughest penalties for animal cruelty

On June 2, 2011, B.C. adopted the toughest penalties for animal cruelty in Canada, including fines of up to $75,000 and jail terms of up to two years, and greater accountability for owners and others responsible for animals to protect their animals from distress. The changes resulted from the work of the Sled Dog Task Force which recommended measures to enhance the health, welfare and protection of sled dogs in British Columbia, strengthen animal protection legislation, and improve communication and awareness of animal abuse. All ten recommendations of the Task Force have been acted upon, with the final recommendation, to develop Canada's first Sled Dog Code of Practice and sled dog standards of care regulation, to be fully implemented by October 2012.

Supporting innovation in B.C. agriculture

The Province partnered with the federal government throughout the year to help B.C. agricultural producers and processors develop new products, create new processes, invest in food safety, promote renewable energy, and support business development. In July 2011, the Ministry announced the Canada-B.C. Agri-Innovation Program. This program provides up to $1.5 million to facilitate the development and adoption of innovations that enhance profitability and competitiveness. The Renewable Energy Technology Feasibility Program was introduced in August 2011. This initiative provides funding to B.C. producers who want to incorporate renewable energy technologies, such as wind turbines and geothermal heating, into existing agricultural and agri-food operations. The December 2011 launch of www.agrifoodBC.ca provides a central web-based platform to enable producers, processors and industry organizations to access commodity specific information, business risk management tools, emergency planning and agriculture research.

Public consultation and open government

The Ministry invited the public to share their passion and ideas about agriculture. In December 2011, the Ministry invited British Columbians to contribute to the development of two bylaw standards related to the creation of on-farm energy. One bylaw standard will cover anaerobic digestion on farms in the Agricultural Land Reserve (ALR) and the other will cover combined heat and power co-generation in greenhouses in the ALR. Both systems present opportunities for farmers to improve operating efficiency. The Ministry also invited the public to comment on possible guidelines for residence size and location on properties in the Agricultural Land Reserve (ALR).

$38 million in risk management support for farmers

The Province worked with the federal government to provide $38 million in payments to B.C. farmers and ranchers in various risk-management programs in 2011. In July 2011, Canada and B.C. announced up to $5 million for two new initiatives to help B.C. vegetable, cattle and bison producers recover from the damage caused by extreme weather in 2010 and into the Spring of 2011. This new funding was made available under the AgriRecovery program which allows Governments to help farmers when disasters strike. Producers were also supported by existing Business Risk Management programs such as AgriInsurance, AgriStability and AgriInvest, which are the main sources of assistance to help producers deal with the unanticipated costs and agricultural losses that can lead to financial instability.

Support for B.C. beef

The Ministry continued to support the beef industry, promoting it through B.C. Beef Day, and providing funding for market research and product development. British Columbia also worked with the federal government to gain access for B.C. beef in the South Korean market and made progress in the approval process for B.C. beef to be sold in China. Construction began in 2011 on a six year livestock fencing plan, with a total of 700 km of fencing to be built along provincial highways and railroads to protect motorists and valuable livestock. In February 2012, Canada and B.C. announced an investment of nearly $900,000 under the Ranching Task Force Funding Initiative to increase industry's profitability through consumer education and improved market information.

A growing international reputation for sustainably managed fisheries

The Ministry continued to support eco-certification of B.C. fisheries and promote B.C. seafood in international markets. B.C. pink salmon and dog fish became the sixth and seventh fishery in B.C. to receive Marine Stewardship Council (MSC) certification for sustainable management, which is a key selling point in reaching international markets. In November 2011, representatives from thirty B.C. seafood companies and organizations embarked on the largest-ever B.C. seafood trade mission at the 2011 China Fisheries and Seafood Expo in Qingdao. In May 2011, more than a dozen exhibitors promoted the nutrition, safety and sustainability of B.C. seafood products at the European Seafood Exposition in Brussels. Government involvement in these trade missions helps in building relationships and allows smaller companies to share in the global spotlight.

Support for B.C.'s tree fruit growers

The Ministry created the Tree Fruit Industry Working Group with tree fruit growers in 2011. The Working Group has identified actions to help the sector work towards a strong, vibrant and sustainable future, grow export opportunities and increase local demand. In January 2012, Canada and B.C. announced an investment of $2.7 million from the Tree Fruit Market and Infrastructure Initiative to help modernize the Okanagan Tree Fruit Cooperative's storage facility in Lake Country.

Purpose of Ministry

The Ministry of Agriculture supports B.C.'s priorities for jobs and the economy, families and open government by stabilizing and expanding agrifoods production and incomes, promoting environmental stewardship, and safeguarding animal, plant and human health. The benefits of a stable and growing agrifoods sector in B.C. include ensuring steady jobs and revenue for farm families, enhancing healthy and secure local food supply, and creating diversified rural communities.

The Ministry:

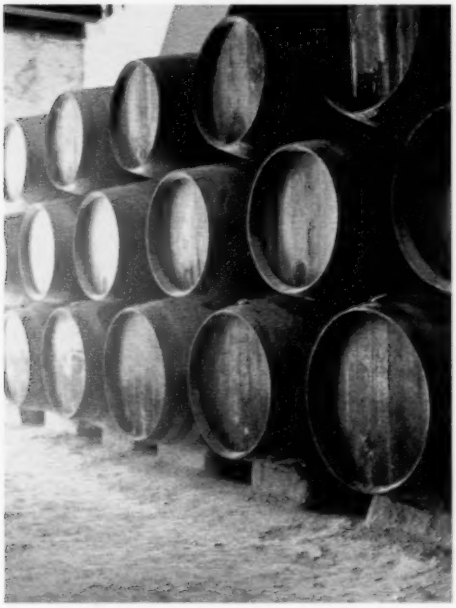
- Delivers programs to stabilize farm incomes against circumstances beyond farmers' control;
- Works to balance urban / agriculture interests;
- Supports a regulatory system and practices that promote environmentally sustainable systems, food safety and socially responsible production practices;
- Monitors and manages, in partnership with the Ministry of Health and the Federal government, the risk of diseases and other pests that threaten B.C.'s plant and animal production systems;
- Provides guidance and funding to the sector to increase innovation, competitiveness and profitability to meet consumer demands;
- Works with other ministries, federal partners and other governments, stakeholders and industry to ensure sustainable marine fisheries; and
- Supports the growth and development of the seafood sector.

The Ministry benefits from inter-agency partnerships such as those with the Agricultural Land Commission (ALC) and the B.C. Farm Industry Review Board (FIRB). The ALC is an administrative tribunal that oversees the Agricultural Land Reserve, a provincial land use zone that recognizes agriculture as a priority use. The ALC operates independently but is funded through the Ministry of Agriculture. B.C. FIRB is a statutory appeal body with additional responsibilities for the general supervision of commodity boards and commissions in addition to administering the *Farm Practices Protection (Right to Farm) Act.*

The Ministry also partners with other provincial ministries, various levels of government, First Nations, industry, government committees and non-government organizations in terms of funding, collaboration and service delivery. The mandates of these agencies connect in key areas such as climate change, innovation, resource management coordination, food safety and quality, support for local food, commitments to First Nations, animal and plant health, pest management, environmental issues and promotion of B.C. agriculture products.

Management and regulation of agriculture is a shared jurisdictional interest of both the federal and provincial government. The Ministry and the industry receive considerable financial support from federal cost shared programs.

The legal and regulatory environment that guides the work of the Ministry includes 31 statutes which relate wholly or primarily to the Ministry and a further 73 regulations relating to the Ministry. A complete list of legislation for which the Ministry is responsible is available at: www.leg.bc.ca/procs/allacts/agric.htm.



Strategic Context

The Ministry of Agriculture works to promote an innovative, adaptive and globally competitive agrifoods sector that is valued by all British Columbians. The following section provides a summary of the external factors and trends that influenced the Ministry's performance in 2011/12.

Economic context

British Columbia's real GDP increased by 2.9 per cent in 2011 (according to preliminary GDP by industry data from Statistics Canada), following growth of 3.0 per cent in 2010. Overall in 2011, most indicators of British Columbia's economic performance showed improvement compared to the previous year. Gains in the domestic economy were observed in employment and consumer spending, while external gains were made in exports and shipments of manufactured goods. However, several risks to British Columbia's economy remain, including the European sovereign debt crisis, ongoing weakness in the US economy, exchange rate volatility, and slower than anticipated Asian demand for BC products.

Exchange rates and energy costs

Over the past several years, B.C.'s agrifoods industry has faced significant challenges affecting overall competitiveness and profitability. A stronger Canadian dollar, the rising costs of energy and other inputs have all placed pressure on sector incomes. British Columbia's agriculture and seafood industries also compete in international markets where competitors with similar or lower cost structures enjoy greater economies of scale and create downward pressure on commodity prices.

Despite these challenges, the agrifoods industry continued to show steady overall revenue growth last year. British Columbia's agrifoods sector is an important contributor to the provincial economy, generating close to $10.5 billion in total revenues a year and providing more than 61,000 jobs.

Growth in global food and feed demand

Global population growth, rising incomes, climate change and other factors are driving demand for agrifoods products in countries around the world. In this environment, many countries face significant challenges in meeting their domestic needs, let alone producing food for export. That means growing opportunities for B.C.'s agrifoods sector. Our products are already in demand around the world as a trusted and tasty source of quality nutrition. In the coming years, our trusted reputation will become an even more important competitive advantage.

Growing focus on health and buying locally

British Columbians are becoming increasingly aware of the benefits of healthy living for their families and for the environment. Demand is growing for fresh, local foods from sustainable

sources. The number of local farmers' markets around the province has tripled over the last decade, with each market providing a bounty of local foods. As this trend continues to gain traction, B.C.'s agrifoods producers will have more opportunities to supply fresh, healthy food directly to consumers.

Increasing innovation

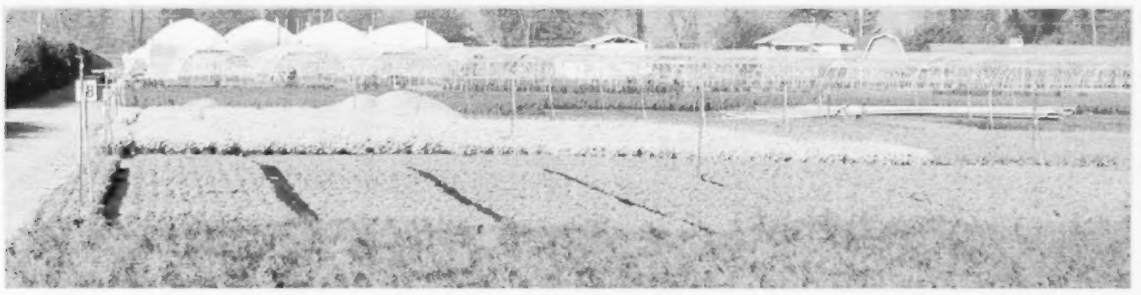
In the agrifoods sector, innovation is key to industry profitability and competitiveness. Innovation is also a driver for the creation of highly skilled and sustainable jobs. Within agrifoods, innovation is ongoing, ranging from improved manufacturing techniques that increase efficiency to more fundamental changes in production, such as the use of anaerobic digestors to convert agricultural by-products into energy. As the sector becomes increasingly diversified, innovation will continue to drive the development of new products, markets and job opportunities.

Protecting the land base for food production

Much of B.C.'s most productive farmland is close to urban areas and other types of development. This can lead to tensions over odour, noise and dust, competing demands for finite resources and pressures from other sectors to use agricultural lands. Recognizing how these issues affect the sector's viability, the Ministry supports the Agricultural Land Reserve and the work of the Agricultural Land Commission to reinforce proper planning for agriculture in communities throughout B.C.

Multilevel partnerships

Canada's provincial and federal governments share responsibility for managing and regulating the country's agrifoods sector. In B.C., the Province and industry receive considerable financial support from federal cost-shared programs, many of which are set out in the Growing Forward agreement, a national framework that coordinates federal-provincial-territorial agriculture policy. As the current five year framework is set to expire in 2013, the Ministry is working with stakeholders to identify issues and opportunities that can be addressed and leveraged in Growing Forward II. B.C.'s priorities include strategic investments in innovation, environmental sustainability and market development.



Report on Performance

Performance Results Summary Table

Goal 1: Agriculture and food sectors contribute positively to the economic diversity and well-being of the Province For greater detail see pages 14 to 17	2011/12 Target	2011/12 Actual
1.1 A sustainable agriculture and food sector Ratio of administration costs to premiums for production insurance	20:80	20:80 ACHIEVED
1.2 Strategic growth and development of the agriculture and food sector Annual revenue growth in agriculture, seafood, food and beverage sectors		
• Crops	1%	3.6% Exceeded
• Livestock	2%	0.8% Not Achieved
• Seafood	maintain	Available Fall 2012
• Food and Beverage Manufacturing	3%	3.5% Exceeded
Contribution of agriculture, seafood and food to provincial primary sector GDP	0.3%	-1.4% Not Achieved
Goal 2: World leading environmental stewardship practices in the agriculture and food sectors For greater detail see pages 18 to 20	**2011/12 Target**	**2011/12 Actual**
2.1 Effective management of environmental risks in agriculture and food sectors Number of Beneficial Management Practices projects funded by Growing Forward incentive program	200	440 EXCEEDED
2.2 Sustainable agriculture management practices that assist successful adaptation to climate change Cumulative tonnes of C02 equivalent emissions reduced or averted from actions supported by Ministry programs	55,000	67,000 EXCEEDED
Goal 3: Community and social well-being is enhanced by agriculture and food sector practices For greater detail see pages 20 to 22	**2011/12 Target**	**2011/12 Actual**
3.1 Promote a positive urban/agriculture relationship to facilitate sustainable growth for farms while enhancing the overall quality of life for British Columbians Number of agriculture area plans completed	42	49 EXCEEDED
3.2 Animal, plant and human health are safeguarded Percent of routine (diagnostic) animal samples completed within seven working days	83%	85% EXCEEDED

Goals, Objectives, Strategies and Performance Results

The Ministry's *Revised 2011 12 Service Plan* was organized around three long term goals:

- Agriculture and food sectors contribute positively to the economic diversity and well-being of the Province;
- World leading environmental stewardship practices in the agriculture and food sectors; and
- Community and social well-being is enhanced by agriculture and food sector practices

Goal 1: Agriculture and food sectors contribute positively to the economic diversity and well-being of the Province.

Objective 1.1: A sustainable agriculture and food sector.

The Ministry supports sector profitability and self reliance through programs and services that provide farmers with tools to adapt and sustain their businesses in the face of environmental and market risk.

Strategies

- Promote, deliver and improve national business risk management programs and services.
- Provide strategic business development leadership and build business management awareness, intelligence, and capacity within the agriculture and food sector.
- Improve the competitive environment of B.C.'s ranching sector by implementing and monitoring the four point action plan from the Ranching Task Force.

Performance Measure 1: Ratio of administration costs to premiums for Production Insurance.

Performance Measure	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual
Ratio of administration costs to premiums for Production Insurance[1]	22:78	20:80	20:80	20:80 Achieved

Data Source: Ministry of Agriculture

[1] Administration cost includes both fix and variable costs.

Discussion of Results

The measure indicates the efficiency of delivering the Production Insurance program through government by comparing administration cost to the private sector. In the private sector, administration costs are included as part of premium revenue and generally range between 25 per cent and 30 per cent of total premium revenue. Production Insurance in Canada is delivered by provincial administrations[1]. A ratio of 20:80 means there is adequate administration expenditures to determine coverage, adjust losses, set premiums, and maintain the integrity of the insurance plan, while ensuring dollars are available as needed for producers. Inadequate administrative structures and practices can result in higher claim losses and therefore increase premiums. In B.C., Production Insurance methodologies for coverage determination and premium rates are certified by an independent actuary.

Objective 1. 2: Strategic growth and development of the agriculture and food sector.

The Ministry promotes growth in the agriculture and food sector through programs that foster innovation, competitiveness and improve market access.

Strategies

- Undertake initiatives to enhance the competitiveness and sustainability of B.C.'s seafood products in domestic and international markets.
- Assist producers and processors to capitalize on new market share opportunities.
- Support innovative product and process development, commercialization and adoption.
- Enable production and use of renewable energy and development of biorefineries.
- Promote B.C. agrifoods products in domestic and international markets.

[1] B.C. is the only province that does not use a Crown corporation or commission to deliver Production Insurance.

Performance Measure 2: **Annual revenue growth in agriculture, seafood, food and beverage sectors.**

Performance Measure	2009/10 Baseline	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual
Annual revenue growth in agriculture, food and beverage sectors[1]	Crops $1.108 Billion (2009)	$1.134 Billion 2.3% growth	$1.169 Billion 3.2% growth	1% Growth in farm cash receipts	$1.211 Billion 3.6% growth Exceeded
	Livestock $1.297 Billion (2009)	$1.245 Billion 4.1% decline	$1.263Billion 1.5% growth	2% Growth in farm cash receipts	$1.273 Billion 0.8% growth Not Achieved
	Seafood $697.3 Million (2009)	$713.8 Million 2% growth	$759.3 million 6% growth	Maintain landed value	Data available Fall 2012
	Food and Beverage Manufacturing $6.710 Billion (2009)[2]	$6.794 Billion 1.3% growth	$6.961 Billion 2.4% growth	3% Growth in value of shipments for food and beverage	$7.205 Billion 3.5% growth Exceeded

[1] Revenue is calculated on the rate of change of the three year moving average.

[2] Baseline recalculated due to calculation error. The corrected figure was provided in 2012/13 Service Plan.

Data Source: Statistics Canada.

Discussion of Results

This measure reflects the growth in annual revenues by the agrifoods sector by monitoring growth in the value of farm cash receipts[2] for crops and livestock, the landed value of seafood, and estimated value of shipments from B.C. food and beverage processors. Revenue growth is an indicator of the contribution of B.C.'s agrifoods industries to the provincial economy. Targets are based on the average annual rate of change in revenues.

The growth in B.C.'s crop receipts in 2011 resulted largely from additional blueberry acreage that came into production in 2011, along with higher blueberry prices and yields. In addition, crop receipts rose as a result of higher production of greenhouse cucumbers, greenhouse peppers, and higher prices in greenhouse tomatoes. Increased marketing and prices for canola, oats and barley and record wheat yields also contributed.

[2] Farm cash receipts are the revenues that farmers generate from the market place when they sell their crops and animal products, in addition to the dollars they receive in direct payments from the various programs they participate in (e.g. crop insurance).

The increase in B.C.'s livestock receipts in 2011 resulted from higher beef and hog prices, despite fewer numbers of cattle, calves and hogs being marketed, and from higher prices and marketing in supply managed commodities (dairy, poultry and eggs).

Estimates for the 2011 landed value of B.C. seafood are expected to be released in fall 2012.

Ministry Response:

The objective of reporting the average of the three most recent years' receipts is to average out the peaks and troughs that are common in industries like agriculture and fishing where weather, disease and market declines can affect annual returns. In 2011/12 this had the effect of creating crop receipts higher than was forecast and livestock receipts slightly lower than was forecast. The Ministry expects, however, that the rolling average will approach the forecast next year and beyond.

Performance Measure 3: Contribution of Agriculture, Seafood, and Food to Provincial Primary Sector GDP.

Performance Measure	Baseline	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual
Per cent of Primary B.C. GDP	11.3%[1] (2008 revised)	12.2% of GDP 0.9% growth	11.6% of GDP 0.3% growth	0.3% growth above baseline	10.8% of GDP -1.4% decline Not Achieved

Data Source: Statistics Canada

[1] Percentage represents 2008 Agriculture, Aquaculture and Commercial Fishing GDP of $1.351 Billion as a percentage of total primary sector GDP of $11.936 Billion.

Discussion of Results

This measure reflects the contribution of the primary agriculture, seafood and food sectors to the provincial economy's total primary sector gross domestic product (GDP).

B.C.'s agriculture and fish sector continued to realize positive economic growth in 2009, 2010 and 2011, relative to the 2008 base year. This growth outpaced the growth in the primary sector as a whole in 2009 and 2010, but not in 2011. In 2011, B.C.'s agriculture and fish sector GDP grew by 0.3%, however, primary sector GDP grew by 4.6%. The faster rate of growth in primary sector GDP occurred as a result of marked improvement in B.C.'s forestry, oil and gas, and electricity GDP.

This measure tracks growth in agrifoods sector GDP compared to growth in total primary sector GDP. As growth in this measure is relative, it is not a strong indicator of the competitiveness

and profitability of the agrifoods sector and for this reason has been removed from future service plans.

Goal 2: World leading environmental stewardship practices in the agriculture and food sectors.

Objective 2.1: Effective management of environmental risks in agriculture and food sectors.

The Ministry supports the agriculture and food sectors to proactively address environmental risks and the impacts of climate change.

Strategies

- Provide programs and activities to identify and address critical agricultural environmental issues and adoption of best management practices.
- Support local governments, as well as the agriculture and food sectors to prepare for and recover from environmental disasters.

Performance Measure 4: Number of Beneficial Management Practices projects funded by the Growing Forward Agreement.

Performance Measure	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual
Number of Beneficial Management Practices projects funded by Growing Forward incentive program [1]	212	331	200	440 Exceeded

Data Source: ARDCorp reports and agreements.

1. Canada-British Columbia Growing Forward Agreement (2008-2013), including the Continuity Year Agreement 2008/2009. Access to the Beneficial Management Practices program is via the voluntary and confidential Environmental Farm Plan. Producers must have a valid Environmental Farm Plan to access the program.

Discussion of Results

This measure provides an indication of the response of farmers to environmental risks on their farms. The measure counts the number of farms initiating funded beneficial management practices targeted at specific agri-environmental risks. Program funding is budgeted on a declining level within the Growing Forward agreement. Caps, cost-shares and types of eligible projects are reviewed and adjusted annually.

The projects funded by the *Growing Forward* incentive program all link to the adoption of beneficial management practices identified in approved environmental farm plans. These projects focus on minimizing the farm impact on water quality, water quantity, and climate change.

Due to increased public interest in environmental issues, producers are recognizing the value of implementing beneficial management practices and interest in the program has grown. The availability of more planning advisors to work with clients has also contributed to the Ministry exceeding its target for 2011/12.

Ministry Response

The current Growing Forward agreement is due to expire March 31, 2013. As this is the final year of the agreement, all remaining funds allocated to this program will be fully expended. The Ministry is considering options for future environmental programming as part of the negotiations for Growing Forward II.

Objective 2.2: Sustainable agriculture management practices that assist successful adaptation to climate change.

The Ministry supports industry's efforts to develop innovative products, tools and processes to mitigate greenhouse gas emissions and adapt to climate change.

Strategies

- Promote opportunities for carbon sequestration and encourage improved environmental practice initiatives in agriculture.
- Support the province's climate change goals by identifying, researching and developing market opportunities for the agriculture and food sector.
- Support improvements in the efficiency of water and energy use by the agriculture and food sector.

Performance Measure 5: Cumulative tonnes of CO_2 equivalent (CO_2^e) emissions reduced or averted from actions supported by Ministry programs.

Performance Measure	2008/09 Baseline[2]	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual[3]
Cumulative tonnes of CO_2 ^{e} emissions reduced or averted from actions supported by Ministry programs[1]	19,000	30,000	48,000	55,000	68,000 Exceeded

Data Source: Ministry of Agriculture; Pacific Carbon Trust.

[1] Includes the number of offset tonnes of CO_2 equivalent emissions retired through the Pacific Carbon Trust each year in emissions reduction projects which can be classified as coming from the agricultural sector (for example: energy efficiencies recognized in the greenhouse industry); Carbon offsets are measured as one metric tonne of carbon dioxide or equivalent (CO_2^e).

[2] Based on 2008 calendar year.

[3] Estimate based on intended purchases.

Discussion of Results

This measure indicates the success of the Ministry in encouraging agriculture related businesses to implement innovations or practices which reduce greenhouse gas emissions. The Pacific Carbon Trust is a provincial Crown Corporation with a mandate to deliver B.C. based greenhouse gas offsets to help clients meet their carbon reduction goals and to support growth of this industry in B.C.

The B.C. carbon market has developed since the 2011/12 target was established, and the cumulative emission reductions have been larger than anticipated. The emissions reductions come primarily from four carbon offset projects: Katatheon Farms in Langley, Sun Select Farms in Delta, Quik's Farm in Chilliwack, and Randhawa Farms in Abbotsford. These projects are a mix of energy efficiency and fuel switching initiatives.

Ministry Response

Pacific Carbon Trust (PCT) does not currently have contracts with proponents in the agriculture sector beyond 2011/12, but a new Greenhouse Conservation Offset Protocol is being worked on by PCT and the Greenhouse Growers Association. The Ministry will continue to engage with both PCT and the agriculture industry to promote greenhouse gas emission reduction and carbon offsets.

Goal 3: Community and social well-being is enhanced by agriculture and food sector practices.

Objective 3.1: Promote a positive urban/agriculture relationship to facilitate sustainable growth for farms while enhancing the overall quality of life for British Columbians.

Agriculture activity depends on good relations with local government and community members. With only 1.5 per cent of British Columbians living on farms, it has become increasingly important for local government to keep in touch with their farm and ranch communities to help facilitate support for the agriculture sector. While preservation of agricultural land in British Columbia is overseen by the Agricultural Land Commission (ALC), the Ministry aims to support the ALC by promoting a positive urban/agriculture environment to ensure farmers can continue to farm in farming areas.

Strategies

- Promote a positive regulatory climate with local government to support the sector across British Columbia.
- Build a greater understanding of agriculture's contribution to the community through proactive communication strategies.
- Support the Agricultural Land Commission to fulfill its mandate to preserve agricultural land for future generations of farm and ranch families.
- Expand domestic market opportunities through local food initiatives.

Performance Measure 6: Number of agriculture area plans completed.

Performance Measure	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual
Number of agriculture area plans completed	29[1]	37	42	49 Exceeded

Data Source: Ministry of Agriculture

[1] Numbers are cumulative. This includes 26 completed prior to 2009 and 3 more completed in 2009/10

Discussion of Results

This measure provides an indication of how capacity is being built within farm communities to influence issues that affect agriculture. An agriculture area plan focuses on a community's farm area to discover practical solutions to issues and to identify opportunities to strengthen farming. Key stakeholders prepare the plan, which includes strategies for economic development, joint

marketing and processing, agri-tourism and proposals for by-law amendments to support agriculture. The agriculture area plan often becomes a subset of the official community plan.

Local governments have been very active in planning for farming areas. The increased interest in planning for agriculture is a result of communities updating their Official Community Plan, identifying economic development opportunities, and promoting local food production. There are another 8 plans under development and an additional 22 plans being considered.

Objective 3.2: Animal, plant and human health are safeguarded.

The Ministry, in partnership with other government agencies, delivers services and initiatives to effectively manage food safety, plant, and livestock health risks contributing to positive public health and to maintaining consumer confidence.

Strategies

- Implement and deliver comprehensive, provincial level programs for animal and plant health that manage the risks of disease and invasive species, and support public health and national programs.
- Support the health of British Columbians by increasing awareness and adoption of food safety programs and practices.
- Continue to work with government and industry groups to identify and implement traceability and biosecurity strategies that will reduce the risk of foreign animal disease incursions and outbreaks.
- Review the province's animal health policy and legislation to further public health and safety and secure the sector's market potential.

Performance Measure 7: Per cent of routine (diagnostic) animal samples completed within seven working days.

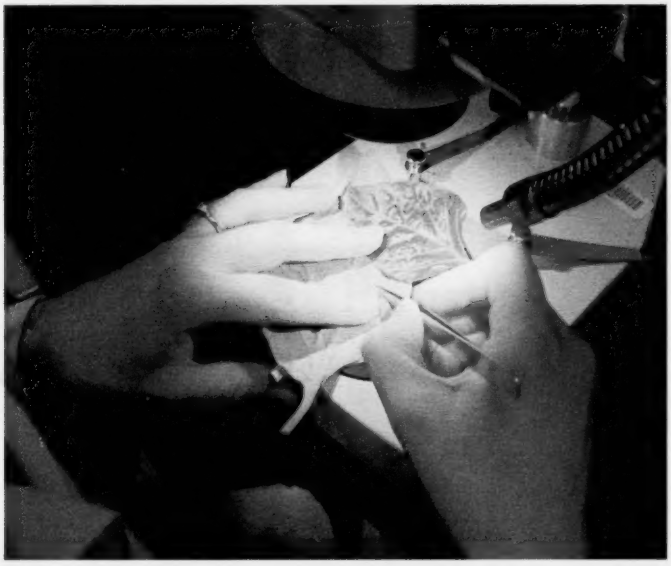
Performance Measure	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual
Per cent of routine (diagnostic) animal samples completed within seven working days[1]	75%	85%	83%	85% Exceeded

Data Source: Ministry of Agriculture

[1] Samples tested in-house and not referred to another laboratory. Diagnostic tests require minimum times to complete, depending on the nature of the test.

Discussion of Results

The Animal Health Centre is a veterinary diagnostic laboratory located in the Abbotsford Agriculture Centre. The mandate of the Centre is to diagnose, monitor and assist in controlling and preventing animal disease in British Columbia. Although primarily concerned with food producing animals, the Centre also provides diagnostic services for companion animals, wildlife, zoo animals and marine mammals. Submissions are made to the laboratory by veterinarians, livestock producers, government agencies, humane societies, zoos, aquariums and members of the public. The Centre offers a wide range of veterinary laboratory tests on a fee basis to diagnose disease and other causes of poor production or mortality in animals. Samples from wildlife, marine mammal and SPCA investigations are also regularly submitted to the Centre for examination and diagnostic tests.



Report on Resources

	Estimated [1]	Other Authorizations [2]	Total Estimated	Actual	Variance
Operating Expenses ($000)					
Agriculture Science & Policy	10,024	12,600	22,624	23,537	(913)
Strategic Industry Partnerships	34,556	1,571	36,127	36,594	(467)
BC Farms Industry Review Board	896	-	896	937	(41)
Executive & Support Services	6,821	-	6,821	5,315	1,506
Sub Total	**52,297**	**14,171**	**66,468**	**66,383**	**85**
Agricultural Land Commission	1,974	339	2,313	2,313	-
Production Insurance Special Account (Net) [3]	11,500	-	11,500	5,442	6,058
Adjustment of Prior Year Accrual	-	-	-	(131)	131
Total	**65,771**	**14,510**	**80,281**	**74,007**	**6,274**
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)					
Executive & Support Services	3	-	3	2	1
Total	**3**	-	**3**	**2**	1
Other Financing Transactions ($000)					
Agricultural Credit Act [4]	49	-	49	1	48
Total Receipts	**49**	-	**49**	**1**	**48**
Total Disbursements	**-**	**-**	**-**	**-**	**-**
Total Net Cash Source (Requirements)	**49**	-	**49**	**1**	**48**

Notes:

[1] The "Estimated" amount corresponds to the Estimates as presented to the Legislative Assembly in May 2011.

[2] Other Authorizations are approved access to Contingencies for Greenhouse Carbon Tax Rebate program, Living River Trust, Marketing BC Agri-Food, Tree Fruit Replant program, AgriRecovery program, and Transitional Funding for Agricultural Land Commission.

[3] The $6.0 million surplus in Production Insurance Special Account due to lower loss claim costs.

[4] Receipts represent principal repayment on outstanding loans issued under the Agricultural Credit Act which was terminated on March 31, 1995. The miscellaneous Statues Amendments Act, 2003 provides the provisions for the loan repayments.

Operating Expenses

The Ministry was on budget in fiscal 2011/12 (under spent by $0.085 million). The overall surplus was mainly in Production Insurance Special Account due to the unpredictability of loss claim costs.

Appendix A: Ministry Contact Information

Ministry of Agriculture:
P.O. Box 9120 STN PROV GOVT, Victoria B.C., V8W 9B4
Ph.: (250) 387-5121

Strategic Industry Partnerships Division:
Ph.: (250) 356-1122, Fax (250) 356-7279

Agriculture Science and Policy Division:
Ph.: (250) 356-1821, Fax (250) 356-7279

Ministry of Agriculture - Regional Offices:

Abbotsford
1767 Angus Campbell Road, V3G 2M3
Ph.: (604) 556-3001
Fax: (604) 556-3030
Toll free 1-888-221-7141
Animal Health toll free 1-800-661-9903

Courtenay
2500 Cliffe Avenue, V9N 5M6
Ph.: (250) 897-7540
Fax: (250) 334-1410

Cranbrook
205 Industrial Rd. G
Cranbrook, B.C. V1C 7G5
Ph.: 250-489-8507
Fax: 250-489-8506

Creston
1243 Northwest Boulevard, V0B 1G6
Ph.: (250) 402-6429
Fax: (250) 402-6497

Dawson Creek
4th Floor, 1201 - 103rd Avenue, V1G 4J2
Ph.: (250) 784-2601
Fax: (250) 784-2299
Toll free 1-877-772-2200

Duncan
5785 Duncan Street, V9L 5G2
Ph.: (250) 746-1210
Fax: (250) 746-1292

Fort St. John
10043 - 100th Street, V1J 3Y5
Ph.: (250) 787-3240
Fax: (250) 787-3299
Toll free 1-888-822-1345

Kamloops
2nd Floor, 441 Columbia St., V2C 2T3
Ph.: 250-828-4506
Fax: 250-828-4154
Toll free 1-888-823-3355

Kelowna
Unit 200 - 1690 Powick Road, V1X 7G5
Ph.: (250) 861-7211
Fax: (250) 861-7490
Toll free 1-888-332-3352

Oliver
Suite 201 - 583 Fairview Road
PO Box 857 Stn Prov Govt V0H 1T0
Ph.: (250) 498-5250 or 5251
Fax: (250) 498-4952

Prince George
PLAZA 400 Building
Suite 325 - 1011 Fourth Avenue, V2L 3H9
Ph.: (250) 565-7200
Fax: (250) 565-7213
Toll free 1-800-334-3011

Vernon
2501 – 14th Avenue, V1T 8Z1
Ph.: (250) 260-4610
Fax: (250) 260-4602
Toll free 1-877-702-5585

Williams Lake
300 - 640 Borland Street, V2G 4T1
Ph.: (250) 398-4500
Fax: (250) 398-4688
Toll free 1-800-474-6133

Agricultural Land Commission
133 - 4940 Canada Way, Burnaby B.C., V5G 4K6
Ph.: (604) 660-7000
Fax: (604) 660-7033
Email: ALCBurnaby@Victoria1.gov.bc.ca
Internet: www.alc.gov.bc.ca/

B.C. Farm Industry Review Board
PO Box 9129 STN PROV GOVT, Victoria B.C., V8W 9B5
Ph.: (250) 356-8945
Fax: (250) 356-5131
Email: firb@gov.bc.ca
Internet: www.firb.gov.bc.ca/

For more information about the *BC Jobs Plan Agrifoods Strategy*, visit the website at: http://www.gov.bc.ca/agri/down/bc_agrifoods_strategy.pdf

For more information about the Ministry of Agriculture, including full contact information, visit our website at: www.gov.bc.ca/al/